



ASX Announcement



Ardmore Phosphate Rock Project

Direct-to-farmer sales commence following successful crushing trial

17 August 2021

ASX Code: CXM

Issued Capital:

Shares 367M

Share Price A\$0.045

Market Cap. A\$16.53m

Cash (30 Jun) A\$2.699M

Board of Directors:

Mr Peter Hunt

Non-Executive Chairman

Mr Graham Chrisp

Non-Executive Director

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Mr Robert Mencil

CEO

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Highlights

- An initial shipment of high-grade phosphate rock has successfully been crushed and transported to an Australian East coast customer for use as organic fertilizer.
- The successful crushing and transport trial demonstrates for the first time a viable alternative to previously imported high grade phosphate rock – heralding a critical improvement in the nation's self-sufficiency, fertiliser supply chain resilience and long-term food security.
- Centrex has made 25,000 tonnes of high grade (28% P₂O₅) phosphate rock exclusively available to Australian farmers and organic fertilizer manufacturers.

Centrex Metals Limited (ASX: CXM) ("Centrex" or the "Company") is pleased to announce that an initial shipment of phosphate has been transported to the Australian East Coast for use as an organic fertilizer following a successful crushing trial.

Centrex recently mined its first parcel of high-grade phosphate rock at Ardmore. Whilst the lion's share of the mine's future product is intended for the phosphatic fertiliser production market – and significant progress is being made to secure fresh sales agreements – an initial 25,000 tonne parcel has been made exclusively available to farmers for use as direct application phosphate rock.

Working with Mt Isa based contractor JDR Mining and Civil PTY LTD, a total of 320 tonnes of previously mined stockpiled ore was loaded into conventional road trains and carted to the Mt Isa quarry. At the quarry an initial 110 tonnes was crushed using an impact crusher and screened down to minus 26.5mm in dimension.



Figure 1: Ardmore Direct Application Rock Phosphate crushed and screened to minus 26.5mm.

The contractor reported the material crushed well through the impactor with no build up and no gaugeable wear detected. Based upon the result of the crushing and screening trial, VIBREX S-Style self-cleaning screen cloths have been purchased to further improve screening rates. VIBREX S-Style screens composed of individual wires that vibrate independently at different frequencies preventing material accumulating between the wires and allowing the self-cleaning effect.

At the request of an East Coast customer, converted intermediate bulk containers were filled with 38 tonnes of screened product and loaded onto a truck for transport to the East Coast. At the customers own facility, the product was further refined to minus 2mm for use in compost systems and organic fertilizer products.

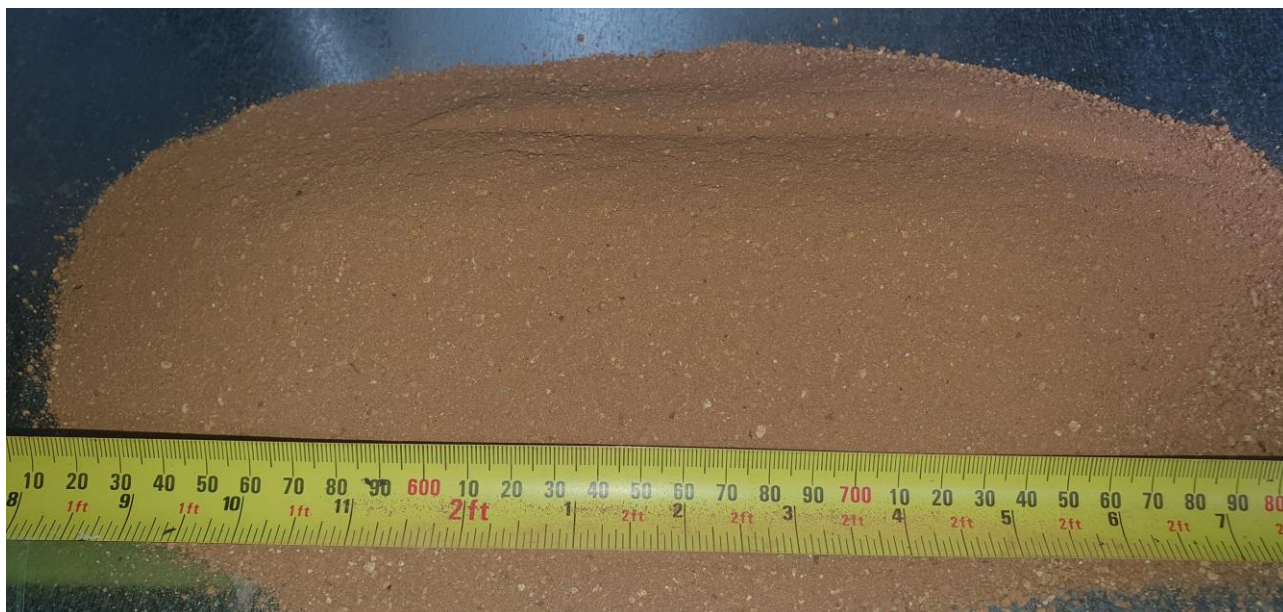


Figure 2: Crushed and milled minus 2mm Ardmore Direct Application Phosphate Rock.

Based on the success of the trial, the Company is pleased to announce that it will commence advertising its Direct Application Phosphate Rock (DAPR) product for sale.

The Company intends to sell a range of product sizes ranging from Run of Mine (Typically -500mm) to a crushed and screened product down to -4mm. The product will be delivered in either one tonne bulk bags or alternatively, customers can collect their own product per truck load.

Taking advantage of the high number of empty trucks returning to the East Coast from Northwest Queensland, the Company has negotiated low freight rates to the East Coast with regional transport company Rod Pilon Transport. This provides cost effective freight solution as far south as Victoria.

Centrex CEO Robert Mencil said that the first parcel of high-grade phosphate rock made available to farmers is not only a milestone development for the Ardmore Project but heralds a critical improvement in the nation's self-sufficiency, fertiliser supply chain resilience and long-term food security.

"For farmers, the application of crushed phosphate rock to crops and pastures represents a very affordable long-term opportunity to increase their soil's nutrient bank" explained Mr Mencil.

The direct application of phosphate rock provides an environmentally friendly long-term source of slow-release phosphorus. Ardmore's phosphate is crushed to particles of approximately 1-4mm which is broken down naturally in acidic soils, replicating the process required to make Single Superphosphate where sulphuric acid is reacted with phosphate rock.

"The relatively large gauge of the particles allows the product to be applied evenly, with reduced risk of leaching or run-off in high rainfall areas, thereby offering a steady and gradual release of phosphate into the soil bank over a number of years."

If required, phosphate rock can also be applied in conjunction with Single Superphosphate to provide a combined immediate and long-term benefit.

Centrex announced its plans to mine phosphate rock at Ardmore in 2018 to help reduce Australia's increasingly risky reliance on imported phosphate. Over the past year, economic conditions and phosphate rock prices have improved substantially, paving the way for the commencement of mining operations at Ardmore – a key contributing factor being the benchmark 70% BPL rock phosphate price which has climbed month on month over the past year, reaching USD\$125.0/tonne in July, an increase of 62% over the same period (Source: World Bank Commodities Price Data – The Pink Sheet, 2 July 2021.)

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Forward Looking Statements

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